

INVESTMENT PLAN

Quarterly Newsletter

Fourth Quarter, October 2025



Florida Retirement System

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Keep Your Investment Plan Account Profile Current

Regularly reviewing and updating your personal details to your Investment Plan account profile ensures that your account remains accurate and up to date. Once you're eligible for a distribution, this will also ensure a smoother distribution process.

You can log in to your account on the [MyFRS.com](https://www.myfrs.com) website or contact an Investment Plan Administrator customer service representative to help review your account profile. If you have updated your profile information (name, address, banking information, etc.), you will receive notification of the changes that were completed. **For security purposes, updates to your account will trigger a 10-day waiting period before you can request a distribution.** Make it a habit to confirm these details at least annually or whenever there are significant changes in your life.

To speak with an Investment Plan Administrator representative, call the MyFRS Financial Guidance Line at 1-866-446-9377, Option 4 (TRS 711).

Keep Your Beneficiaries Current

Please be sure to keep your beneficiaries current so your benefits (if any) are passed to your named beneficiaries upon your death. You have four options for submitting your beneficiary information:

1. Online FRS Investment Plan Beneficiary Designation form (<https://www.myfrs.com/imageserver/IPBForm.htm>) (accessible without login).
2. Logging in to [MyFRS.com](https://www.myfrs.com) and clicking "Investment Plan," then clicking on the "profile" icon on the top right of the page, then selecting "Beneficiaries" from the dropdown menu.
3. Mailing or faxing an FRS Investment Plan Beneficiary Designation form (IPBEN-1) (https://www.myfrs.com/pdf/forms/ip_beneficiary.pdf) to the Investment Plan Administrator.
4. Calling the MyFRS Financial Guidance Line at 1-866-446-9377, Option 4 (TRS 711).

Beneficiary Updates for RMD Payments

If you are eligible for or about to begin required minimum distributions (RMDs) from your Investment Plan and your spouse is your beneficiary, you must provide your spouse's correct date of birth to ensure the accurate calculation of your RMDs using the Actuarial Life Expectancy Factor. Please call the Investment Plan Administrator at 1-866-446-9377, Option 4 (TRS 711), Monday through Friday, between 8:00 a.m. and 6:00 p.m. ET, to verify or update your spouse's date of birth.

Quarterly Fund Performance Summary

This quarterly fund performance summary gives you a quick update on the performance of the Investment Plan's investment funds. Before you select any investment funds, you should also review the fund profiles, the Investment Fund Summary, and the Annual Fee Disclosure Statement posted in the "Investment Funds" section on MyFRS.com. The asset class descriptions below are general in nature and should not be relied on as your sole source of information regarding these funds.

Asset Class

An asset class is a group of similar investments whose values react in the same basic way to changes in the economy. The Investment Plan's funds are spread across five asset classes: stable value funds, inflation protection funds, bond funds, U.S. stock funds, and foreign and global stock funds. There can be a risk in holding a large portion of your account balance in a single fund or asset class. According to investment experts, a good mix of investments (a strategy known as "diversifying") can help you control your risk and improve your returns. Additional information about investing and diversification can be found on the U.S. Department of Labor's website at dol.gov/agencies/ebsa/laws-and-regulations/laws/pension-protection-act/investing-and-diversification.

Stable Value Funds

These funds invest in fixed income securities and wrap contracts offered by banks and insurance companies. Wrap contracts generally provide a protected return even if the underlying investments decline in value. Stable value funds focus on the preservation of capital, retaining the value of your investment regardless of what stock or bond markets are doing. Stable value funds are not FDIC-insured or guaranteed.

Inflation Protection Funds

These funds invest in a diversified array of assets that may help offset inflationary pressures. These assets include but are not limited to U.S. Treasury inflation-linked securities, commodities, real estate investment trusts, natural resources, and other securities. The funds seek long-term real (net of inflation) returns to preserve the future purchasing power of accumulated assets. You could lose money over short or long periods by investing in this fund, and returns may not keep pace with inflation.

Bond Funds

These funds invest primarily in bonds, which are like IOUs: a company or government agency borrows money and pays it back with interest to the bondholder (the entity making the loan). The quality of a bond is reflected in the credit rating of the company or agency that issues the bond.

The short-term risk of bond funds is relatively low; however, over time, the value of a bond is affected by interest rates, inflation, and other factors. When inflation or interest rates go up, the value of bonds goes down because they pay a fixed rate of interest and the market may see other investments as being more attractive. Therefore, bonds and bond funds don't always protect the value of your retirement savings against inflation.

U.S. Stock Funds

These funds invest primarily in equity shares or stocks issued by U.S. companies. The short-term risk of stocks has been much higher than bonds. However, over longer periods of time, stocks have generally experienced higher returns than bonds, which is one of the main reasons that stocks are typically recommended for retirement investing. Some risk is necessary to achieve long-term investment growth.

Foreign and Global (Foreign and U.S.) Stock Funds

Foreign stock funds invest primarily in equity shares or stocks issued by foreign companies in stock markets outside the U.S. Compared to U.S. stocks, foreign stocks are affected by additional risk factors, such as foreign laws and regulations, differences in accounting practices, political risk (foreign governments are sometimes unstable), and currency risk (differences in the relative value of domestic and foreign money).

Global stock funds invest in both U.S. and foreign stocks. Over the long term, foreign and global stocks have not experienced as high a return as U.S. stocks, but they have provided diversification benefits.

Retirement Date Funds

Each Retirement Date Fund is a diversified portfolio of FRS Investment Plan investment managers and uses an asset allocation concept called "target date funds." The mix of funds in each Retirement Date Fund is based on the amount of time you have before retirement, and the mix gradually changes as you approach retirement. This gradual change follows a careful investment strategy called a "glide path." Each Retirement Date Fund's glide path was developed for the FRS by a global investment consulting firm and a fiduciary to the FRS. Retirement Date Funds don't fall into just one asset class. They invest in multiple asset classes, which makes them good for "one-stop shopping."

Self-Directed Brokerage Account

The self-directed brokerage account (SDBA) does not fall into any single asset class. That's because the SDBA allows you to invest in thousands of different investments in addition to the Investment Plan's primary investment funds. The SDBA is not suitable for all members, and you assume the full risk and responsibility for the investments you select. Additional information on the SDBA is available in the "Investment Funds" section on MyFRS.com.

Strategy

Passively managed funds try to match the returns of a market index (such as the Russell 3000 index) by buying and holding the same securities as the index they're trying to match. Actively managed funds try to beat a market index.

Annual Fees

These are the current fees the fund charges to cover its management, operating, and marketing expenses. These fees are based on a percentage of your account balance and they are deducted from your account balance. The fees shown are based on a \$1,000 investment in that fund.

Long-Term Fees

The total fees that would be charged for a \$1,000 investment held for 10 years, based on current annual fees.

Performance Benchmark (PB)

A performance benchmark allows you to see how well the fund is doing relative to the performance of the market sector it is trying to beat. Note that index funds are designed to approximate the returns of their benchmarks. Benchmarks do not have costs.

Total Index

A total index is a combination of all the market benchmarks in each market sector and is based on the asset amounts of each fund in each market sector.

Performance Summary as of September 30, 2025

	STRATEGY	FEES PER \$1,000		PERFORMANCE ¹			
		Annual ²	Long-Term	Quarterly ³	1 Year	5 Years	10 Years
TOTAL FRS INVESTMENT PLAN	--	--	--	5.77%	12.81%	9.72%	9.06%
<i>PB: FRS Investment Plan Total Custom Index</i>		--	--	5.84%	12.81%	9.97%	8.97%
RETIREMENT DATE FUNDS	--	--	--	5.72%	12.83%	9.32%	8.75%
<i>PB: FRS Total Retirement Date Custom Index</i>		--	--	5.72%	12.41%	9.24%	8.59%
FRS 2065 Retirement Date Fund (2065) ⁴	Active	\$1.20	\$12	6.62%	15.01%	--	--
<i>PB: FRS 2065 Retirement Date Custom Index</i>		--	--	6.48%	14.32%	--	--
FRS 2060 Retirement Date Fund (2060) ⁵	Active	\$1.20	\$12	6.61%	14.94%	11.68%	--
<i>PB: FRS 2060 Retirement Date Custom Index</i>		--	--	6.48%	14.32%	11.49%	--
FRS 2055 Retirement Date Fund (2055)	Active	\$1.20	\$12	6.61%	14.94%	11.68%	10.55%
<i>PB: FRS 2055 Retirement Date Custom Index</i>		--	--	6.48%	14.32%	11.49%	10.35%
FRS 2050 Retirement Date Fund (2050)	Active	\$1.20	\$12	6.61%	14.92%	11.54%	10.47%
<i>PB: FRS 2050 Retirement Date Custom Index</i>		--	--	6.48%	14.32%	11.44%	10.33%
FRS 2045 Retirement Date Fund (2045)	Active	\$1.30	\$13	6.50%	14.68%	11.15%	10.28%
<i>PB: FRS 2045 Retirement Date Custom Index</i>		--	--	6.42%	14.17%	11.08%	10.17%
FRS 2040 Retirement Date Fund (2040)	Active	\$1.40	\$14	6.25%	14.16%	10.59%	9.93%
<i>PB: FRS 2040 Retirement Date Custom Index</i>		--	--	6.24%	13.73%	10.53%	9.79%
FRS 2035 Retirement Date Fund (2035)	Active	\$1.60	\$16	5.75%	13.06%	9.75%	9.39%
<i>PB: FRS 2035 Retirement Date Custom Index</i>		--	--	5.85%	12.79%	9.74%	9.20%
FRS 2030 Retirement Date Fund (2030)	Active	\$1.90	\$19	5.01%	11.39%	8.55%	8.51%
<i>PB: FRS 2030 Retirement Date Custom Index</i>		--	--	5.18%	11.17%	8.56%	8.38%
FRS 2025 Retirement Date Fund (2025)	Active	\$2.30	\$23	4.16%	9.32%	7.10%	7.53%
<i>PB: FRS 2025 Retirement Date Custom Index</i>		--	--	4.37%	9.20%	7.13%	7.39%
FRS 2020 Retirement Date Fund (2020)	Active	\$2.10	\$21	3.94%	8.53%	6.18%	6.72%
<i>PB: FRS 2020 Retirement Date Custom Index</i>		--	--	3.90%	8.03%	6.04%	6.50%
FRS Retirement Fund (2000)	Active	\$2.00	\$20	3.73%	7.83%	5.59%	5.89%
<i>PB: FRS Retirement Custom Index</i>		--	--	3.65%	7.35%	5.32%	5.67%
STABLE VALUE FUND				0.80%	3.15%	2.44%	--
FRS Stable Value Fund (350) ^{6, 10}	Active	\$0.80	\$8	0.80%	3.15%	2.44%	--
<i>PB: FTSE Treasury Bill 3-Month Blended</i>		--	--	0.68%	3.43%	1.49%	--
INFLATION PROTECTION FUND				3.02%	4.95%	4.73%	4.15%
FRS Inflation Sensitive Fund (300)	Active	\$3.50	\$36	3.02%	4.95%	4.73%	4.15%
<i>PB: FRS Multi-Assets Custom Index</i>		--	--	3.04%	5.42%	5.05%	4.21%

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Performance Summary as of September 30, 2025 – continued

	STRATEGY	FEES PER \$1,000		PERFORMANCE ¹			
		Annual ²	Long-Term	Quarterly ³	1 Year	5 Years	10 Years
BOND FUNDS		--	--	2.12%	4.33%	0.99%	2.88%
PB: FRS Investment Plan Total Bond Custom Index		--	--	2.01%	3.93%	0.63%	2.53%
FRS U.S. Bond Enhanced Index Fund (80)	Passive	\$0.40	\$4	2.07%	3.00%	-0.34%	1.93%
PB: Bloomberg Aggregate Bond Index		--	--	2.03%	2.88%	-0.45%	1.84%
FRS Diversified Income Fund (310) ⁸	Active	\$2.50	\$25	2.17%	4.44%	1.08%	3.17%
PB: FRS Diversified Income Custom Index		--	--	2.03%	3.71%	0.52%	2.60%
U.S. STOCK FUNDS		--	--	7.93%	16.78%	15.39%	14.10%
PB: FRS Custom Domestic Equities Index		--	--	8.05%	17.21%	15.89%	14.21%
FRS U.S. Stock Market Index Fund (120)	Passive	\$0.10	\$1	8.18%	17.41%	15.77%	14.77%
PB: Russell 3000 Index		--	--	8.18%	17.41%	15.74%	14.71%
FRS U.S. Stock Fund (340) ⁷	Active	\$3.50	\$36	7.16%	15.18%	14.79%	13.23%
PB: Russell 3000 Index		--	--	8.18%	17.41%	15.74%	14.71%
FOREIGN AND GLOBAL STOCK FUNDS		--	--	6.73%	17.11%	10.55%	9.20%
PB: FRS Investment Plan Total Foreign/Global Equities Custom Index		--	--	6.95%	16.55%	10.67%	8.74%
FRS Foreign Stock Index Fund (200)	Passive	\$0.25	\$3	6.92%	17.24%	10.48%	8.54%
PB: MSCI ACWI ex US IMI Index		--	--	6.86%	16.39%	10.22%	8.24%
FRS Foreign Stock Fund (220) ⁹	Active	\$4.70	\$48	6.86%	17.29%	8.36%	8.72%
PB: MSCI ACWI ex US Index		--	--	6.89%	16.45%	10.26%	8.29%
FRS Global Stock Fund (210) ⁹	Active	\$4.30	\$44	5.29%	15.73%	11.87%	13.28%
PB: MSCI All Country World Index		--	--	7.62%	17.27%	13.54%	11.91%

¹ The performance information presented reflects past performance, net of fees, which is not necessarily an indication of future performance. The most recent quarter, 1-, 5-, and 10-year performance returns are shown, if available.

² Fees are only one of several factors that you should consider when making investment decisions.

³ Not annualized.

⁴ The FRS 2065 Retirement Date Fund was initially open for investments on July 1, 2023. One- and five-year performance shown is for the FRS 2060 Retirement Date Fund which has the same investment allocation.

⁵ The FRS 2060 Retirement Date Fund was initially open for investments on July 1, 2017. One- and five-year performance shown is for the FRS 2055 Retirement Date Fund which has the same investment allocation.

⁶ The FRS Stable Value Fund was initially open for investments on July 1, 2021. Past performance shown is based on the investment allocations as if they were held over the past five years prior to July 1, 2021.

⁷ The following applies to the FRS U.S. Stock Fund with an inception date of July 1, 2020: 1.) the five-year history, if available, is considered the return since inception; and 2.) one-year and five-year historical performance is based on the target weight of the underlying managers/funds that would have been in place if the funds had been in place during these time periods.

⁸ Effective April 1, 2024, the FRS Core Plus Bond Fund (310) name changed to the FRS Diversified Income Fund (310), and the benchmark name changed to reflect decreased bond assets and an allocation to real estate.

⁹ Effective April 2024, Dodge & Cox was added as a second manager to the fund.

¹⁰ Effective August 1, 2025, Stable Value Benchmark was the ICE BofA US Treasuries 1-3 Yr as of July 1, 2021 and is now the FTSE Treasury Bill 3-Month.

All Investment Plan funds (except the FRS Stable Value Fund) are subject to the Excessive Fund Trading Guidelines, which may limit your ability to make investment changes. The guidelines are available on the "Investment Funds" page of [MyFRS.com](#).

This performance summary is intended for use in connection with the FRS Investment Plan, pursuant to Florida law, and is not intended for use by other investors. Sections 121.4501(8)(b)4 and 121.4501(15)(b), Florida Statutes, incorporate the federal law concept of participant control, established by regulations of the U.S. Department of Labor under Section 404(c) of the Employee Retirement Income Security Act of 1974. If you exercise control over the assets in your Investment Plan account, including the self-directed brokerage account, pursuant to Section 404(c) regulations and all applicable laws governing the operation of the Investment Plan, no program fiduciary shall be liable for any loss to your account that results from your exercise of control.

Two Ways to Protect Your Retirement Income

Lifetime income guarantees and qualified longevity annuity contracts (QLACs) are two solutions from MetLife that allow you to convert some or all of your Investment Plan balance into payments to you for your lifetime or payments to your survivor after your death.

The quotes below assume a \$100,000 Investment Plan balance as of September 30, 2025, for a 65-year-old female. Joint & Survivor payments assume the chosen survivor is a 65-year-old spouse. Your actual quotes may vary based on your individual data and other circumstances. Please note that other payment options and features are available.

	Lifetime Income Guarantee Payments begin at age 65	QLAC Payments begin at age 75
Single Life — lifetime payments to you	\$645	\$1,542
Joint & Survivor — lifetime payments to you that continue to be paid to your survivor after your death	\$565	\$1,177

To learn more about these options, or to purchase one, call the MyFRS Financial Guidance Line at 1-866-446-9377, Option 2 (TRS 711). Or, visit myfrs.com/MakeYourMoneyLastaLifetime.htm for additional resources, including an online quoting tool.

Retirement Income 101: Where Will Your Retirement Income Come From?

MetLife has an infographic that helps answer the following question: Where will your retirement income come from? Retirees generally need 70% to 90% of their pre-retirement income to maintain their current lifestyle in retirement. Learn about the various sources of income that can replace your paycheck and ways to convert your Investment Plan balance into income by reviewing the infographic at <https://election.micruity.app/static/media/retirement-income-101-FRS.660fdb9.pdf>. To navigate to this page, go to the **Make Your Money Last a Lifetime** page on the **MyFRS.com** website and click on the “Retirement Income Center” tile. At the top of the page, click on “Resources” → “Additional Resources.”



How Can I Get My PIN for My Account?

You have the option to receive a PIN reminder either by cell phone or U.S. mail. If you want to receive your PIN via cell phone, you will need to verify your identity on the **PIN Reminder** page on **MyFRS.com**, successfully answer several security questions, and have your cell phone number verified. If you pass these three items, we will immediately text the PIN to you. If you do not pass, the only option will be to receive the PIN via U.S. mail.

Inflation's Impact on Retirement Planning

Most of us think of inflation as higher prices on our everyday purchases — increases that affect our wallets. But when prices go up, are there changes we should be making in our retirement planning? The answer is maybe; it all depends on your individual situation.

For example, if you are nearing retirement or in retirement, inflation can have a significant impact on your plans. You may feel the need to delay retirement for a year or two to compensate for the increase in your expenses. If you're already in retirement, you may feel the need to find part-time work to help supplement your retirement income. If you are still in your working years, you may want to increase the amount you're saving, either slightly if you have 20 or more years until retirement or between 1% and 5% if you have fewer than 20 years to go.

Interestingly, when inflation goes up, interest rates typically do as well. When interest rates go up, bond funds usually don't perform as well. Despite those factors, the investment recommendations from the online Advisor Service may not change much, if at all. That's because retirement planners take a long-term view. The Advisor Service has already considered a range of interest rate changes when calculating their investment recommendations.

For help with your own retirement planning, log in to the Advisor Service on MyFRS.com or call the EY financial planners via the MyFRS Financial Guidance Line at 1-866-446-9377, Option 2 (TRS 711).

Review Your Balance and Investment Fund Allocation

Have you reviewed your Investment Plan account balance and investment fund allocation? If not, now is a perfect time to reach out to the EY financial planners via the MyFRS Financial Guidance Line at 1-866-446-9377, Option 2 (TRS 711). Get a checkup on your projected account balance to determine whether any changes should be made to your investment allocations and find out if you are on track for a successful retirement.



Fund Transfers

The Investment Plan generally permits you to change your investment options daily. However, some funds restrict your ability to move your money under certain circumstances. Review the [Excessive Fund Trading Guidelines](#) available in the "Investment Funds" section on MyFRS.com. Transfer requests processed before 4:00 p.m. ET (or market close, if earlier) will be effective on the day the request is made. Transfer requests received after that time will be processed the next business day. If your completed request is delayed for any reason, it will be processed as soon as administratively feasible. You can change or cancel your request at any time before market close by logging in to MyFRS.com or calling the Investment Plan Administrator at 1-866-446-9377, Option 4 (TRS 711).